



PO Box 1420, Rapid City, SD 57709-1420

A Member-Owned, Not-For-Profit Cooperative

August 12, 2009

Board of Governors of the Federal Reserve Board
20th and C Streets, NW
Washington, DC 20551

**RE: Interim Final Rule Implementing the Credit Card Accountability
Responsibility and Disclosure Act**

Dear Board of Governors Members:

On behalf of Black Hills Federal Credit Union (BHFCU), I am writing to comment on specific provisions of the Credit Card Accountability Responsibility and Disclosure Act (CARD Act). In particular, the provisions that were added to the CARD Act during closed door sessions, with no comment period. Those provisions will affect all open ending lending, making access to lending more difficult for consumers and also make it very difficult for many credit unions to comply with the 21 day statement requirement .

The application of the 21 day statement provision to all open ending lending, instead of just credit cards, will affect our members who need the most assistance. In order to comply with the 21 day statement provision BHFCU, as well as other credit unions, will be forced to evaluate the viability of programs such as our Paycheck Privilege Program, which is a payday lending alternative. This program was designed as a low cost alternative to the predatory lending that many people turn to in times of financial crisis. The program changes required to comply with the CARD Act regulations will likely cause a limited profit program to become unprofitable to offer to struggling members.

The Paycheck Privilege program, and others of similar nature, were never designed, or intended, to be anything but a service to our low income members with few other options. In an effort to serve their needs, we designed this program as an open end lending program to provide flexibility, and a benefit to the member, at a low operating cost to BHFCU. With the new Card Act regulations, we will now have to change the program, which will inevitably result in two negative factors for us, increased administrative costs and higher delinquency ratios. These two factors will likely force us to abandon the program, leaving our members with few alternatives and at higher risk for predatory lending.

There is also the added difficulty of implementing the required changes in a short timeframe. These changes have never been a requirement and many credit union computer systems do not have the technical options in place to support the CARD Act provisions.

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Summary of Our Position

In short, the last two provisions to what is intended to be a consumer protection bill will only limit the consumers opportunities for credit, especially for those who need it the most, and will increase compliance burdens to their financial institutions.

We would welcome any further discussion on this subject.

Respectfully submitted,



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